

ORIGINAL

COMMISSIONERS
GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

OPEN MEETING ITEM



0000140534

ARIZONA CORPORATION COMMISSION

RECEIVED

2012 NOV 21 A 10:49

DATE: NOVEMBER 21, 2012

DOCKET NO.: E-01345A-06-0779

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Order on:

ARIZONA PUBLIC SERVICE COMPANY
(ORDER EXTENDING THE TERMINATION DATE FOR CONTINUING LONG-TERM
DEBT ORDERED BY DECISION NO. 69947)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

NOVEMBER 30, 2012

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

DECEMBER 11, 2012 and DECEMBER 12, 2012

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE, Chairman
4 BOB STUMP
5 SANDRA D. KENNEDY
6 PAUL NEWMAN
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION
9 OF ARIZONA PUBLIC SERVICE
10 COMPANY FOR AN ORDER OR ORDERS
11 AUTHORIZING IT TO ISSUE, INCUR, AND
12 AMEND EVIDENCES OF LONG-TERM
13 INDEBTEDNESS AND SHORT-TERM
14 INDEBTEDNESS, TO EXECUTE NEW
15 SECURITY INSTRUMENTS TO SECURE
16 ANY SUCH INDEBTEDNESS, TO REPAY
17 AMOUNTS PAID UNDER ANY PINNACLE
18 WEST CAPITAL CORPORATION
19 GUARANTEE OF ARIZONA PUBLIC
20 SERVICE COMPANY INDEBTEDNESS
21 AND FOR DECLARATORY ORDER.

DOCKET NO. E-01345A-06-0779

22 IN THE MATTER OF THE APPLICATION
23 OF PINNACLE WEST CAPITAL
24 CORPORATION FOR AN ORDER OR
25 ORDERS AUTHORIZING IT TO
26 GUARANTEE THE INDEBTEDNESS OF
27 ARIZONA PUBLIC SERVICE COMPANY.

DECISION NO. _____

**ORDER EXTENDING THE
TERMINATION DATE FOR
CONTINUING LONG-TERM
DEBT ORDERED BY DECISION
NO. 69947**

28 Open Meeting
December 11 and 12, 2012
Phoenix, Arizona

29 **BY THE COMMISSION:**

30 * * * * *

31 Having considered the entire record herein and being fully advised in the premises, the
32 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

33 **FINDINGS OF FACT**

34 1. On October 30, 2007, the Arizona Corporation Commission ("Commission") issued
35 Decision No. 69947 in this docket, approving short-term and long-term financing authority requested
36

1 by Arizona Public Service Company ("APS" or "Company"). Under the terms of Decision No.
2 69947, APS's authority to enter into new long-term debt expires on December 31, 2012.

3 2. The parties to Decision No. 69947 were APS and Staff.

4 3. On November 11, 2011, APS filed with the Commission, in Docket No. E-01345A-11-
5 0423, an application for authority to issue, incur, and amend evidences of long-term indebtedness,
6 short-term indebtedness, and other long-term securities, to manage interest rate risk, to execute new
7 security instruments to secure any such indebtedness or other long-term securities, and for
8 declaratory order concerning variable interest entities. The application in that docket requests a
9 Commission determination no later than December 31, 2012, with an effective date no later than
10 December 31, 2012.

11 4. On October 23, 2012, APS filed, in Docket No. E-01345A-11-0423, copies of public
12 notice of the application and affidavits of publication indicating that the notice was published in the
13 *Arizona Republic* on October 16, 2012. The public notice indicated that intervention requests should
14 be filed within 15 days of the public notice.

15 5. On November 2, 2012, Staff filed, in Docket No. E-01345A-11-0423, a Staff Report on
16 the application. The Staff Report requested that responses to the Staff Report be filed by November
17 9, 2012.

18 6. No requests for intervention were filed in Docket No. E-01345A-11-0423.

19 7. On November 9, 2012, APS filed, in Docket No. E-01345A-11-0423, Comments on the
20 Staff Report.

21 8. On November 19, 2012, APS filed, in Docket No. E-01345A-11-0423, Supplemental
22 Comments on the Staff Report.

23 9. On November 20, 2012, Staff filed, in Docket No. E-01345A-11-0423, a Response to
24 APS's Supplemental Comments.

25 10. In its Supplemental Comments filed in Docket No. E-01345A-11-0423, APS urges that
26 if the Commission cannot fully resolve the pending application in that docket by December 31, 2012,
27 the Commission issue an order extending the long-term debt authorizations of Decision No. 69947
28 until further order of the Commission. APS states that it would be appropriate to amend Decision

1 No. 69947 to extend the termination date for long-term debt until the Commission issues a new
2 financing order in Docket No. E-01345A-11-0423. APS states that it waives any right to notice and
3 hearing to which it would be entitled for an amendment of Decision No. 69947.

4 11. In its Response to APS's Supplemental Comments filed Docket No. E-01345A-11-
5 0423, Staff states that it supports an extension of the long-term debt authorizations. Staff states that it
6 believes an extension of the long-term debt authorizations granted in Decision No. 69947 is
7 appropriate under the circumstances, and good cause exists to extend the authorizations.

8 12. Decision No. 69947 orders as follows:

9 IT IS FURTHER ORDERED that the short-term and long-term debt levels
10 authorized in this Order will terminate on December 31, 2012, provided that all short-
11 term and long-term debt outstanding at December 31, 2012 that was previously
12 authorized pursuant to the Order shall remain authorized and valid obligations of
13 Arizona Public Service Company. The December 31, 2012 termination date will be
14 extended for Continuing Short-Term Debt until the Commission issues a new
financing order replacing the then-existing order, provided that (a) Arizona Public
Service Company files an application for a new financing order on or before
December 31, 2011 and (b) the Commission has not issued an order pursuant to such
application on or before December 31, 2012.

15 13. APS filed an application for a new financing order before December 11, 2011, in
16 Docket No. E-01345A-11-0423.

17 14. The Commission will not issue an order in Docket No. E-01345A-11-0423 prior to
18 December 31, 2012.

19 15. APS's long-term debt capacity should not be allowed to expire prior to a Commission
20 determination in Docket No. E-01345A-11-0423.

21 16. It is in the public interest to extend the termination date for Continuing Long-Term
22 Debt should be extended in the same manner that Decision No. 69947 extends the termination date
23 for Continuing Short-Term Debt, which is until the Commission issues a new financing order in
24 Docket No. E-01345A-11-0423.

25 17. Decision No. 69947 should be reopened for the sole and limited purpose of amending
26 it to extend the termination date for Continuing Long-Term Debt in the same manner that the
27 Decision extends the termination date for Continuing Short-Term Debt.

28 ...

CONCLUSIONS OF LAW

1
2 1. APS is a public service corporation within the meaning of Article XV of the Arizona
3 Constitution and A.R.S. §§ 40-250, 40-251, 40-301, 40-302, and 40-303.

4 2. The Commission has jurisdiction over APS and the subject matter of this proceeding.

5 3. It is not in the public interest to allow APS's long-term debt capacity to expire prior to
6 a Commission determination in Docket No. E-01345A-11-0423.

7 4. It is reasonable and in the public interest to reopen Decision No. 69947 pursuant to
8 A.R.S. § 40-252 for the sole and limited purpose of amending it to extend the termination date for
9 Continuing Long-Term Debt in the same manner that the Decision extends the termination date for
10 Continuing Short-Term Debt.

ORDER

11
12 IT IS THEREFORE ORDERED that Decision No. 69947 is hereby reopened pursuant to
13 A.R.S. § 40-252 for the sole and limited purpose of extending the termination date for Continuing
14 Long-Term Debt in the same manner that the Decision extends the termination date for Continuing
15 Short-Term Debt.

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that Decision No. 69947 is hereby amended to extend the
2 termination date for Continuing Long-Term Debt until the Commission issued a new financing order
3 in Docket No. E-01345A-11-0423.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
6
7

8 CHAIRMAN

COMMISSIONER

10 COMMISSIONER

COMMISSIONER

COMMISSIONER

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this _____ day of _____, 2012.

16 ERNEST G. JOHNSON
17 EXECUTIVE DIRECTOR

19 DISSENT _____
20

21 DISSENT _____
22
23
24
25
26
27
28

1 SERVICE LIST FOR: ARIZONA PUBLIC SERVICE COMPANY
2 DOCKET NO.: E-01345A-06-0779
3 Thomas L. Mumaw
4 PINNACLE WEST CAPITAL CORP.
5 400 N. 5th Street, Mail Station 8695
6 Phoenix, AZ 85004-3992
7 Janice Alward, Chief Counsel
8 Legal Division
9 ARIZONA CORPORATION COMMISSION
10 1200 West Washington Street
11 Phoenix, AZ 85007
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28